

**Actions Affecting Major State Tax, License and Fee Estimates
and Estimates of Net Available State General Fund Revenue**

2009 Regular Session

Instrument	Description	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
SESSION ACTIONS - REVENUE							
Sales Tax - General							
Act 461 Regular Session HB 473	Exempts from state sales tax purchases of polyroll tubing sold or used for commercial farm irrigation systems. Effective upon governor's signature.		(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)
Act 473 Regular Session HB 189	Exempts from state sales tax meals served in K-12 and higher education schools, meal plans, hospitals, nursing homes etc. 1% of tax would be effective as of July 1, 2009. Effective upon governor's signature.		(\$750,000)	(\$750,000)	(\$750,000)	(\$750,000)	(\$750,000)
Act 455 Regular Session HB 5	Exempts from state sales tax bait and feed used in production/harvesting of crawfish. Effective July 1, 2009.		(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
Act 206 Regular Session HB 389	Makes permanent an expiring exclusion from state & local sales tax for purchases/leases of educational materials/equipment by nonpublic schools. The current exclusion was to expire July 1, 2009. This bill makes the exclusion permanent. Effective June 30, 2009.		(\$1,100,000)	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)
Act 500 Regular Session HB 251	Expands the existing state & local sales tax exemption on 54% of manufactured home prices to include modular homes, effective July 1, 2009. Also, effective January 1, 2010, imposes state & local sales tax to 46% of the price of manufactured homes regardless of a declaration of immovability. Effective June 30, 2009.		(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)
			\$1,400,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000
Act 442 Regular Session SB 9	Exempts from state sales tax the sale of green railroad ties purchased in LA for installation outside the state.		(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
Act 450 Regular Session SB 10	Exempts from state & local sales tax the purchase of manmade CO2 utilized in a qualified tertiary oil recovery process.			(\$100,000)	(\$150,000)	(\$200,000)	(\$250,000)
Act 462 Regular Session HB 734	Exempts from state sales tax the purchase, rental, and repair of qualifying radiation therapy equipment, including certain PET/CT equipment.		(\$156,000)	(\$148,000)	(\$108,000)	(\$108,000)	(\$108,000)

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Act 466 Regular Session HB 818	Exempts from state sales tax the purchase of items consumed by wood products and logging industries, as well as repairs and maintenance contracts. Phased in evenly over four years, starting in FY11.			(\$1,500,000)	(\$3,000,000)	(\$4,500,000)	(\$6,000,000)
Act 453 Regular Session SB 52	Provides an annual 3-day (Sept) sales tax holiday for purchases of guns, ammunition, and hunting supplies. Effective upon governor's signature.		(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)
Act 464 Regular Session HB 756	Provides a number of exemptions from state (and local sales tax) as well as other administrative changes to sales tax law. Tax exemptions include: 1) sales of goods by the Cajundome, 2) purchases of materials by the Fuller Center for Housing, 3) purchases of materials by Hands On New Orleans and by Rebuilding Together New Orleans.		(\$235,000)	(\$239,000)	(\$243,000)	(\$248,000)	(\$254,000)
Act 443 Regular Session SB 33	Provides a state & local sales tax exemption for sales made on installations owned/operated by the state Military Dept. Effective July 1, 2009.		(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)
Act 260 Regular Session SB 333	Creates a tax increment financing district in Baton Rouge, the Blueconnet Convention Hotel Taxing district. Effectively dedicates sales taxes from business sales diverted into the district's businesses from competing businesses outside the district. Effective upon governor's signature.			DECREASE	DECREASE	DECREASE	DECREASE
Personal Income Tax							
Act 478 Regular Session HB 898	Increase film investor tax credit to 30% (from 25%) and decreases the film resident payroll tax credit to 5% (from 10%). Option to redeem credits directly from the state at 85% of face value is also provided. If all productions utilize direct state redemption, FY10 approximate revenue neutrality possible. Effective for productions approved after July 1, 2009.		POSSIBLE REVENUE NEUTRALITY	(\$10,000,000)	(\$20,000,000)	(\$30,000,000)	(\$40,000,000)
				Losses depend on extent of baseline activity levels.			
Act 457 Regular Session HB 106	Exempts from personal income tax the net capital gains from the sale or exchange of an equity interest or substantially all of the assets of a non-publicly traded business domiciled in LA. Effective for tax periods beginning 1/1/2010.		(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)

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Act 469 Regular Session HB 110	Increases and makes refundable the tax credit for clean-burning motor vehicle fuel property, including fueling dispensing equipment. Effective for payments made by taxpayers beginning with 2009.		(\$164,000)	(\$172,000)	(\$181,000)	(\$190,000)	(\$200,000)
Act 530 Regular Session SB 159	Appears to expand the type of transactions that are eligible to generate film infrastructure tax credits for certain projects. The timing and specific dollar effect on tax collections is uncertain. Maximum state revenue loss exposure is \$12.5 million.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Corporate Income and Franchise Tax							
Act 474 Regular Session HB 215	Provides two port-related tax credits. 1) Investor Credit: 5%/yr for 20-years of total capital costs of qualifying port infrastructure projects. Effective through 2014. 2) Tonnage Credit: \$5/ton for all qualifying tonnage moving through La ports. Effective beginning with tax year 2009.		(\$3,500,000)	(\$4,250,000)	(\$5,000,000)	(\$5,750,000)	(\$6,500,000)
Act 477 Regular Session HB 790	Extends and modifies an existing tax credit program for certain research and development expenditures. Credits are made refundable. The current program expires 12/31/09, but is extended for expenditures made through 12/31/13.		\$0	(\$11,600,000)	(\$11,600,000)	(\$11,600,000)	(\$11,600,000)
Act 475 Regular Session HB 458	Extends the Sound Recording Tax Credit until January 1, 2015. Changes credit to a rebate payment directly to the production firm with Economic Development handling the rebate process on behalf of the participating firm.			(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)
Act 467 Regular Session HB 858	Expands existing refundable tax credits for wind & solar energy systems to apply to taxpayers who do not own the structures where the systems are installed. Effective for tax period 2009 and beyond.		(\$100,000)	(\$200,000)	(\$300,000)	(\$400,000)	(\$500,000)
Act 454 Regular Session SB 277	Expands the type of firms eligible for the program, increases the tax credit to 25% for all eligible expenditures (from 20%/15%/10%), and makes the program permanent. Effective for projects applying on or after July 1, 2009.			(\$250,000)	(\$500,000)	(\$750,000)	(\$1,000,000)
Act 448 Regular Session SB 287	Provides 10% refundable tax credits for expenditures made by nonprofit community theaters between \$25,000 and \$300,000. Total program credits are limited to \$250,000 per year, and only for years 2009 and 2010.		(\$250,000)	(\$250,000)			

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Act 520 Regular Session HB 733	Provides refundable tax credits for certified green projects expenditures and payroll in various "industries". Available credit rates of 10%, 20%, and 25% depending on project spending, plus 10% for resident payroll. Limited to \$1 million per project and \$5 million per year for entire program. Dependent of receipt of federal funds to support green jobs industries, but federal monies are not required to reimburse state general fund for credit costs.		DECREASE	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Act 447 Regular Session SB 252	Provides refundable tax credits of 5% of qualified investment expenditures. A wide variety of industries are eligible, but certain efficiency or capacity gains must be attained. Credit awards are allotted evenly over 5-years, and total program annual allotments are capped at \$10 million per year. Projects must be placed in service after July 1, 2011.				(\$2,000,000)	(\$4,000,000)	(\$6,000,000)
Act 476 Regular Session HB 618	Eliminates the annual \$10 minimum corporate franchise tax. Effective for tax periods beginning in 2010.		(\$373,000)	(\$373,000)	(\$373,000)	(\$373,000)	(\$373,000)
Severance Tax							
Act 450 Regular Session SB 10	Reduces the severance tax by 50% on oil produced from a tertiary recovery project using manmade CO2 (100% exemption until payout of well costs under current law).			(\$500,000)	(\$1,500,000)	(\$2,000,000)	(\$2,500,000)
Excise License (Insurance Premium) Tax							
Act 478 Regular Session HB 898	Requires insurance company investments in Louisiana to be sustained over longer time periods to qualify the firm for the investment tax credit against the premium tax. Effective July 1, 2010.			INCREASE	INCREASE	INCREASE	INCREASE
Total Adjustments To Major State Tax, License And Fee Estimates		\$0	(\$7,137,000)	(\$38,541,000)	(\$53,914,000)	(\$69,078,000)	(\$84,244,000)
SESSION ACTIONS - DEDICATIONS							
Adjustments To Dedications of Major State Tax, License, and Fee Estimates		\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST		\$0	(\$7,137,000)	(\$38,541,000)	(\$53,914,000)	(\$69,078,000)	(\$84,244,000)

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OTHER ITEMS OF INTEREST							
Parish Severance Tax Allocation / Atchafalaya Basin Conservation Fund							
Act 541 Regular Session HB 765	Increases the annual maximum severance tax allocation back to the parishes of severance taxes to \$1.850 million and then to \$2.850 million, if/when severance tax forecasts exceed actual FY09 collections. This is initially "tested" April 1, 2012.				\$25,000,000	\$50,000,000	\$50,000,000
	Also dedicates 50% (up to \$10 million per year) of severance tax & royalty collections from state lands in the Atchafalaya Basin to the newly created Atchafalaya Basin Conservation Fund, on the basis of a "test" of those forecasts compared to their FY09 actual collections (April 1, 2012 test).				\$10,000,000	\$10,000,000	\$10,000,000
	The first fiscal year that could be affected by these provisions is FY12.						
	To be submitted to the electors at the statewide election on November 2, 2010.						
If adopted by the electors and forecasts exceed FY09 actual collections, these additional tax dedications will reduce revenue available to the state general fund by the estimated amounts above.							
Tax Amnesty Program							
Act 519 Regular Session HB 720	Provides for a broad tax amnesty program over a two month period during FY10. Forgives 50% of interest due and 100% of penalties of due from participants. The Department of Revenue retains amounts equivalent to the penalties waived plus amounts for contractual information technology and program administration, and marketing expenses. Receipts could be \$150 million - \$175 million, or more.		INCREASE	DECREASE	DECREASE	DECREASE	DECREASE
	Receipts are allocated to the Department, the Coastal Protection and Restoration Fund (first \$90 million), the Budget Stabilization Fund (up to \$86 million), and to the state general fund.						
Tax amnesty programs largely accelerate tax payments that were likely to be received anyway. Thus, a one-time gain is experienced in the period of the amnesty, followed by reduced collections in subsequent periods.							